

**Senate Bill No. 1028**

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Passed the Senate August 31, 2012

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*Secretary of the Senate*

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Passed the Assembly August 31, 2012

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 17193.5, 17199.4, 52055.780, 69432.7, and 69999.6 of the Education Code, to amend Section 17581.6 of the Government Code, to amend Items 6110-485 and 6110-488 of Section 2.00 of the Budget Act of 2011 (Chapter 33 of the Statutes of 2011), and to add Item 6440-301-6048 to Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012), relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1028, Committee on Budget and Fiscal Review. Education finance.

(1) Existing law authorizes a public credit provider, as defined, to require a participating party, with regard to providing credit enhancement for bonds, notes, certificates of participation, or other evidences of indebtedness of a participating party, to agree to specified conditions, including allowing the Controller to allocate specified school district, county office of education, or charter school apportionments to public credit providers if the public credit provider is required to make principal or interest payments, or both, pursuant to the credit enhancement agreement. Existing law imposes those same conditions on securing financing or refinancing for projects or working capital from the California School Finance Authority, in which case the Controller allocates apportionments to an identified trustee when a participating party will not make a payment to the authority at the time the payment is required. Existing law also requires any amount apportioned pursuant to these provisions to be deemed an allocation to the participating party for specified purposes.

This bill would instead authorize these payments to a public credit provider or a trustee, as applicable, to be made, without regard to the specified funding source of the apportionment, from specified apportionments. The bill would also require that the amount apportioned for a participating party be deemed an allocation to the participating party and included in the computation

of the allocation, limit, entitlement, or apportionment for the participating party.

(2) The Quality Education Investment Act of 2006 effectuates the intent of the Legislature to implement the terms of the proposed settlement agreement of a specified legal action, to provide for the discharge of the minimum state educational funding requirement, and to improve the quality of academic instruction and the level of pupil achievement in schools whose pupils have high levels of poverty and complex educational needs, among other things. A provision of the act appropriates \$218,322,000 from the General Fund for the 2013–14 fiscal year, of which \$170,322,000 is for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction pursuant to the act.

This bill would instead require, for the 2013–14 fiscal year, that \$361,000,000 be appropriated from the General Fund, of which \$313,000,000 would be for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction pursuant to the act.

(3) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission (commission), and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions, as defined.

Existing law requires the commission to certify by October 1 of each year a qualifying institution’s latest 3-year cohort default rate as most recently reported by the United States Department of Education. Existing law provides that, for purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 15.5% is ineligible for initial and renewal Cal Grant awards at the institution. Existing law also requires that an otherwise qualifying institution is ineligible for an initial or renewal Cal Grant award at the institution if the institution has a graduation rate of 30% or less for students taking 150% or less of the expected time to complete degree requirements, as specified, with certain

exceptions. Existing law also requires that an otherwise qualifying institution that becomes ineligible under these provisions for initial and renewal Cal Grant awards may regain its eligibility for the academic year following an academic year in which it satisfies the requirements relating to the cohort default rate and the graduation rate.

This bill would instead require that an otherwise qualifying institution that becomes ineligible under these provisions for initial and renewal Cal Grant awards shall regain its eligibility for the academic year for which it satisfies these requirements.

(4) Provisions of law that became inoperative on July 1, 2003, and that were repealed on January 1, 2004, established the Governor's Scholarship Programs under the administration of the Scholarshare Investment Board. Existing law expresses the intent of the Legislature to provide explicit authority to the board to continue to administer accounts for, and to make awards to, persons who qualified for awards under the provisions of the Governor's Scholarship Programs as those provisions existed on January 1, 2003, and to provide for the management and disbursement of funds previously set aside for the Governor's Scholarship Programs. Existing law provides that the amount remaining in the Golden State Scholarshare Trust following a specified transfer is available as a reserve for funding claims for awards.

Existing law additionally states the intent of the Legislature to provide a guarantee should additional funds be needed to cover awards authorized and made pursuant to the program. Existing law also requires the board to negotiate with the current manager of the program to execute an amended or new management and funding agreement, which would be required to include specified terms, including, but not limited to, terms that provide for the return to the General Fund of specified moneys appropriated to the Governor's Scholarship Programs.

Of those funds transferred to the General Fund, this bill would appropriate \$5,000,000 to the Chancellor of the California State University, without regard to fiscal years, for specified purposes relating to open education resources as provided in legislation enacted in the 2011–12 Regular Session. The bill would prohibit all, or a portion, of that \$5,000,000 from being encumbered unless at least 100% of that amount encumbered is matched by private funds, and would require the amount of the \$5,000,000 that is not

matched by private funds to revert to the Golden State Scholarshare Trust for purposes of the Governor's Scholarship Programs.

(5) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district and a community college district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law, commencing with the 2012–13 fiscal year, requires that certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order be available as a block grant to school districts, charter schools, and county offices of education to support specified state-mandated local programs and permits those entities to elect to receive that block grant funding in lieu of claiming mandated costs pursuant to the state claims process.

This bill would add specified state-mandated local programs to the set of programs for which a school district, charter school, or county office of education may elect to receive a block grant, including, among others, an interdistrict attendance permits program.

(6) The Budget Act of 2011 made numerous appropriations for the support of public education in this state.

Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. The Budget Act of 2011 reappropriated \$6,824,000 from the Proposition 98 Reversion Account, of which \$6,594,000 was for allocation by the Superintendent of Public Instruction for apportionment for special education programs, as specified.

This bill would reappropriate an additional \$10,335,000 from the Proposition 98 Reversion Account for allocation by the Superintendent to support special education, as specified.

(7) The Budget Act of 2011, as amended, reappropriated \$220,137,000 from the General Fund to the State Department of Education for apportionment for special education programs.

This bill would reduce this reappropriation to the department for those purposes by \$10,335,000 to \$209,802,000.

(8) Existing law establishes the 2006 University Capital Outlay Bond Fund in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purpose of providing funds to aid the University of California, the Hastings College of the Law, and the California State University.

This bill would amend the Budget Act of 2012 by appropriating \$4,750,000 from the 2006 University Capital Outlay Bond Fund to the University of California for the purpose of funding preliminary plans and working drawings for the Classroom and Academic Office Building at the Merced campus. The bill would require that contractors and subcontractors of the University of California be required to pay prevailing wages, as specified, as a condition of the availability of these funds. The bill would also authorize the use of the 2006 bond funds remaining at the end of capital outlay projects for specified purposes.

(9) The Budget Act of 2012 appropriated \$2,053,750,000 for the support of the University of California.

This bill would require the University of California, as a condition of receipt of those funds, to report to the Legislature by May 1, 2013, on whether it has met an enrollment goal for the 2012–13 academic year.

(10) This bill would require the State Board of Education and the Health and Human Services Agency, including the Department of Health Care Services, the Department of Mental Health, and the Department of Social Services, to repeal regulations relating to county mental health services that are no longer supported by statute, including specified regulations.

(11) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(12) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 17193.5 of the Education Code is amended to read:

17193.5. (a) For purposes of this section, “public credit provider” means any financial institution or combination of financial institutions, that consists either solely, or has as a member or participant, a public retirement system. Notwithstanding any other law, a public credit provider, in connection with providing credit enhancement for bonds, notes, certificates of participation, or other evidences of indebtedness of a participating party, may require the participating party to agree to the following conditions:

(1) If a participating party adopts a resolution by a majority vote of its board to participate under this section, it shall provide notice to the Controller of that election. The notice shall include a schedule for the repayment of principal and interest on the bonds, notes, certificates of participation, or other evidence of indebtedness and identify the public credit provider that provided credit enhancement. The notice shall be provided not later than the date of issuance of the bonds.

(2) If, for any reason a public credit provider is required to make principal or interest payments or both pursuant to a credit enhancement agreement, the public credit provider shall immediately notify the Controller of that fact and of the amount paid out by the public credit provider.

(3) Upon receipt of the notice required by paragraph (2), the Controller shall make an apportionment to the public credit provider in the amount of the payments made by the public credit provider for the purpose of reimbursing the public credit provider for its expenditures made pursuant to the credit enhancement agreement. The Controller shall make that apportionment only from moneys designated for apportionments to a participating party, provided that such moneys are from one or more of the following:

(A) Any revenue limit apportionments to a school district or county office of education without regard to the specific funding source of the apportionment.

(B) Any general apportionments to a community college district without regard to the specific funding source of the apportionment.

(C) Any charter school block grant apportionments to a charter school without regard to the specific funding source of the apportionment.

(D) Any charter school categorical block grant apportionments to a charter school without regard to the specific funding source of the apportionment.

(b) The amount apportioned for a participating party pursuant to this section shall be deemed to be an allocation to the participating party and shall be included in the computation of allocation, limit, entitlement, or apportionment for the participating party. The participating party and its creditors do not have a claim to funds apportioned or anticipated to be apportioned to the trustee by the Controller pursuant to paragraph (3) of subdivision (a).

SEC. 2. Section 17199.4 of the Education Code is amended to read:

17199.4. (a) Notwithstanding any other law, any participating party, in connection with securing financing or refinancing of projects, or working capital pursuant to this chapter, may elect to guarantee or provide for payment of the bonds and related obligations in accordance with the following conditions:

(1) If a participating party adopts a resolution by a majority vote of its board to participate under this section, it shall provide notice to the Controller of that election. The notice shall include a schedule for the repayment of principal and interest on the bonds, and any other costs necessary or incidental to financing pursuant to this chapter, and identify a trustee appointed by the participating party or the authority for purposes of this section. If payment of all or a portion of the principal and interest on the bond is secured by a letter of credit or other instrument of direct payment, the notice may provide for reimbursements to the provider of the instrument in lieu of payment of that portion of the principal and interest of the bonds. The notice shall be provided not later than the date of issuance of the bonds or 60 days before the next payment, whichever date is later. The participating party shall update the notice at least annually if there is a change in the required payment for any reason, including, but not limited to, providing for new or increased costs necessary or incidental to the financing.

(2) If, for any reason, the participating party will not make a payment at the time the payment is required, the participating party



shall notify the trustee of that fact and of the amount of the deficiency. If the trustee receives this notice from the participating party, or does not receive any payment by the date that payment becomes due, the trustee shall immediately communicate that information to the Controller.

(3) Upon receipt of the notice required by paragraph (2), the Controller shall make an apportionment to the trustee on the date shown in the schedule in the amount of the deficiency for the purpose of making the required payment. The Controller shall make that apportionment only from moneys designated for apportionment to a participating party, provided that such moneys are from one or more of the following:

(A) Any revenue limit apportionments to a school district or county office of education without regard to the specific funding source of the apportionment.

(B) Any charter school block grant apportionments to a charter school without regard to the specific funding source of the apportionment.

(C) Any charter school categorical block grant apportionments to a charter school without regard to the specific funding source of the apportionment.

(4) As an alternative to the procedures set forth in paragraphs (2) and (3), the participating party may provide a transfer schedule in its notice to the Controller of its election to participate under this section. The transfer schedule shall set forth amounts to be transferred to the trustee and the date for the transfers. The Controller, subject to the limitation in paragraph (3), shall make apportionments to the trustee of those amounts on the specified date for the purpose of making those transfers. The authority may require a participating party to proceed under this subdivision.

(b) The amount apportioned for a participating party pursuant to this section shall be deemed to be an allocation to the participating party and shall be included in the computation of allocation, limit, entitlement, or apportionment for the participating party.

The participating party and its creditors do not have a claim to funds apportioned or anticipated to be apportioned to the trustee by the Controller pursuant to paragraph (3) and (4) of subdivision (a), or to the funds apportioned to by the Controller to the trustee under any other provision of this section.

(c) (1) Participating parties that elect to participate under this section shall apply to the authority. The authority shall consider each of the following priorities in making funds available:

(A) First priority shall be given to school districts, charter schools, or county offices of education that apply for funding for instructional classroom space.

(B) Second priority shall be given to school districts, charter schools, or county offices of education that apply for funding of modernization of instructional classroom space.

(C) Third priority shall be given to all other eligible costs, as defined in Section 17173.

(2) The authority shall prioritize applications at appropriate intervals.

(3) A school district electing to participate under this section that has applied for revenue bond moneys for purposes of joint venture school facilities construction projects, pursuant to Article 5 (commencing with Section 17060) of Chapter 12, shall not be subject to the priorities set forth in paragraph (1).

(d) This section shall not be construed to make the State of California liable for any payments within the meaning of Section 1 of Article XVI of the California Constitution or otherwise, except as expressly provided in this section.

(e) A school district that has a qualified or negative certification pursuant to Section 42131, or a county office of education that has a qualified or negative certification pursuant to Section 1240, may not participate under this section.

SEC. 3. Section 52055.780 of the Education Code is amended to read:

52055.780. (a) School districts and chartering authorities shall receive funding at the following rate, on behalf of funded schools:

(1) For kindergarten and grades 1 to 3, inclusive, five hundred dollars (\$500) per enrolled pupil in funded schools.

(2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per enrolled pupil in funded schools.

(3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000) per enrolled pupil in funded schools.

(b) For purposes of subdivision (a), enrollment of a pupil in a funded school in the prior fiscal year shall be based on data from the CBEDS.

(c) For the 2012–13 fiscal year, three hundred sixty-one million dollars (\$361,000,000) is hereby appropriated from the General Fund to be allocated as follows:

(1) Forty-eight million dollars (\$48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (d).

(2) Three hundred thirteen million dollars (\$313,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(3) Payments made pursuant to this subdivision shall be made only on or after October 8 of the 2012–13 fiscal year.

(d) The sum transferred pursuant to paragraph (1) of subdivision (c) shall be allocated by the Chancellor of the California Community Colleges to the community colleges for the purpose of improving and expanding career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(e) For the 2013–14 fiscal year, three hundred sixty-one million dollars (\$361,000,000) is hereby appropriated from the General Fund to be allocated as follows:

(1) Forty-eight million dollars (\$48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (d).

(2) Three hundred thirteen million dollars (\$313,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(f) From funds appropriated under subdivision (c), the Superintendent shall provide not more than two million dollars (\$2,000,000) to county superintendents of schools to carry out the requirements of this article, allocated in a manner similar to that created to carry out the new duties of those superintendents under the settlement agreement in the case of *Williams v. California* (Super. Ct. San Francisco, No. CGC–00–312236).

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state’s minimum funding obligation to school

districts and community college districts in subsequent fiscal years, the appropriations made pursuant to subdivisions (c) and (e) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2012–13 and 2013–14 fiscal years and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year.

SEC. 4. Section 69432.7 of the Education Code is amended to read:

69432.7. As used in this chapter, the following terms have the following meanings:

(a) An “academic year” is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.

(b) “Access costs” means living expenses and expenses for transportation, supplies, and books.

(c) “Award year” means one academic year, or the equivalent, of attendance at a qualifying institution.

(d) “College grade point average” and “community college grade point average” mean a grade point average calculated on the basis of all college work completed, except for nontransferable units and courses not counted in the computation for admission to a California public institution of higher education that grants a baccalaureate degree.

(e) “Commission” means the Student Aid Commission.

(f) “Enrollment status” means part- or full-time status.

(1) “Part time,” for purposes of Cal Grant eligibility, means 6 to 11 semester units, inclusive, or the equivalent.

(2) “Full time,” for purposes of Cal Grant eligibility, means 12 or more semester units or the equivalent.

(g) “Expected family contribution,” with respect to an applicant, shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(h) “High school grade point average” means a grade point average calculated on a 4.0 scale, using all academic coursework, for the sophomore year, the summer following the sophomore year, the junior year, and the summer following the junior year, excluding physical education, reserve officer training corps (ROTC), and remedial courses, and computed pursuant to regulations of the commission. However, for high school graduates who apply after their senior year, “high school grade point average” includes senior year coursework.

(i) “Instructional program of not less than one academic year” means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(j) “Instructional program of not less than two academic years” means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(k) “Maximum household income and asset levels” means the applicable household income and household asset levels for participants, including new applicants and renewing recipients, in the Cal Grant Program, as defined and adopted in regulations by the commission for the 2001–02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		

Single, no dependents	\$23,500	\$23,500
Married	\$26,900	\$26,900

\*Applies to independent students with dependents other than a spouse.

#### CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

\*\*Applies to independent students with dependents other than a spouse.

The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. The maximum household income and asset levels applicable to a renewing recipient shall be the greater of the adjusted maximum household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award. For a recipient who was initially awarded a Cal Grant for an academic year before the 2011–12 academic year, the maximum household income and asset levels shall be the greater of the adjusted maximum household income and asset levels or the 2010–11 academic year maximum household income and asset levels. An applicant or renewal recipient who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

(l) (1) “Qualifying institution” means an institution that complies with paragraphs (2) and (3) and is any of the following:

(A) A California private or independent postsecondary educational institution that participates in the Pell Grant Program and in at least two of the following federal campus-based student aid programs:

(i) Federal Work-Study.

(ii) Perkins Loan Program.

(iii) Supplemental Educational Opportunity Grant Program.

(B) A nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution’s operating budget, as demonstrated in an audited financial statement, is expended for purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the Cal Grant Program for the 2000–01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.

(C) A California public postsecondary educational institution.

(2) (A) The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency. For purposes of this paragraph, “provide” may exclusively include placement of an Internet Web site address labeled as an access point for the data on the passage rates of recent program graduates on the Internet Web site where enrollment information is also located, on an Internet Web site that provides centralized admissions information for postsecondary educational systems with multiple campuses, or on applications for enrollment or other program information distributed to prospective students.

(B) The institution shall be responsible for certifying to the commission compliance with the requirements of subparagraph (A).

(3) (A) The commission shall certify by October 1 of each year the institution's latest three-year cohort default rate and graduation rate as most recently reported by the United States Department of Education.

(B) For purposes of the 2011–12 academic year, an otherwise qualifying institution with a three-year cohort default rate reported by the United States Department of Education that is equal to or greater than 24.6 percent shall be ineligible for initial and renewal Cal Grant awards at the institution, except as provided in subparagraph (F).

(C) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a three-year cohort default rate that is equal to or greater than 15.5 percent, as certified by the commission on October 1, 2011, and every year thereafter, shall be ineligible for initial and renewal Cal Grant awards at the institution, except as provided in subparagraph (F).

(D) (i) An otherwise qualifying institution that becomes ineligible under this paragraph for initial and renewal Cal Grant awards shall regain its eligibility for the academic year for which it satisfies the requirements established in subparagraph (B), (C), or (G), as applicable.

(ii) If the United States Department of Education corrects or revises an institution's three-year cohort default rate or graduation rate that originally failed to satisfy the requirements established in subparagraph (B), (C), or (G), as applicable, and the correction or revision results in the institution's three-year cohort default rate or graduation rate satisfying those requirements, that institution shall immediately regain its eligibility for the academic year to which the corrected or revised three-year cohort default rate or graduation rate would have been applied.

(E) An otherwise qualifying institution for which no three-year cohort default rate or graduation rate has been reported by the United States Department of Education shall be provisionally eligible to participate in the Cal Grant Program until a three-year cohort default rate or graduation rate has been reported for the institution by the United States Department of Education.

(F) (i) An institution that is ineligible for initial and renewal Cal Grant awards at the institution under subparagraph (B), (C), or (G) shall be eligible for renewal Cal Grant awards for recipients



who were enrolled in the ineligible institution during the academic year before the academic year for which the institution is ineligible and who choose to renew their Cal Grant awards to attend the ineligible institution. Cal Grant awards subject to this subparagraph shall be reduced as follows:

(I) The maximum Cal Grant A and B awards specified in the annual Budget Act shall be reduced by 20 percent.

(II) The reductions specified in this subparagraph shall not impact access costs as specified in subdivision (b) of Section 69435.

(ii) This subparagraph shall become inoperative on July 1, 2013.

(G) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a graduation rate of 30 percent or less for students taking 150 percent or less of the expected time to complete degree requirements, as reported by the United States Department of Education and as certified by the commission pursuant to subparagraph (A), shall be ineligible for initial and renewal Cal Grant awards at the institution, except as provided for in subparagraphs (F) and (I).

(H) Notwithstanding any other law, the requirements of this paragraph shall not apply to institutions with 40 percent or less of undergraduate students borrowing federal student loans, using information reported to the United States Department of Education for the academic year two years before the year in which the commission is certifying the three-year cohort default rate or graduation rate pursuant to subparagraph (A).

(I) Notwithstanding subparagraph (G), an otherwise qualifying institution with a three-year cohort default rate that is less than 10 percent and a graduation rate above 20 percent for students taking 150 percent or less of the expected time to complete degree requirements, as certified by the commission pursuant to subparagraph (A), shall remain eligible for initial and renewal Cal Grant awards at the institution through the 2016–17 academic year.

(J) The commission shall do all of the following:

(i) Notify initial Cal Grant recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Cal Grant awards under subparagraph (C) or (G) that the institution is ineligible for initial Cal Grant awards for the academic year for which the student received an initial Cal Grant award.

(ii) Notify renewal Cal Grant recipients attending an institution that is ineligible for initial and renewal Cal Grant awards at the institution under subparagraph (C) or (G) that the student's Cal Grant award will be reduced by 20 percent, or eliminated, as appropriate, if the student attends the ineligible institution in an academic year in which the institution is ineligible.

(iii) Provide initial and renewal Cal Grant recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Cal Grant awards at the institution under subparagraph (C) or (G) with a complete list of all California postsecondary educational institutions at which the student would be eligible to receive an unreduced Cal Grant award.

(K) By January 1, 2013, the Legislative Analyst shall submit to the Legislature a report on the implementation of this paragraph. The report shall be prepared in consultation with the commission, and shall include policy recommendations for appropriate measures of default risk and other direct or indirect measures of quality or effectiveness in educational institutions participating in the Cal Grant Program, and appropriate scores for those measures. It is the intent of the Legislature that appropriate policy and fiscal committees review the requirements of this paragraph and consider changes thereto.

(m) "Satisfactory academic progress" means those criteria required by applicable federal standards published in Title 34 of the Code of Federal Regulations. The commission may adopt regulations defining "satisfactory academic progress" in a manner that is consistent with those federal standards.

SEC. 5. Section 69999.6 of the Education Code is amended to read:

69999.6. (a) In enacting this article, it is the intent of the Legislature to accomplish all of the following:

(1) Provide explicit authority to the board to continue to administer accounts for, and make awards to, persons who qualified for awards under the provisions of the Governor's Scholarship Programs as those provisions existed on January 1, 2003, prior to the repeal of former Article 20 (commencing with Section 69995).

(2) Provide for the management and disbursement of funds previously set aside for the scholarship programs authorized by former Article 20 (commencing with Section 69995).

(3) Provide a guarantee should additional funds be needed to cover awards authorized and made pursuant to former Article 20 (commencing with Section 69995).

(b) The board may manage and disburse the funds previously set aside for the scholarship programs authorized by former Article 20 (commencing with Section 69995).

(c) If a person has earned an award under the Governor's Scholarship Programs on or before January 1, 2003, but has not claimed the award on or before June 30, 2004, he or she still may claim the award by a date that is five years from the first June 30 that fell after he or she took the qualifying test. An award shall not be made by the board after that date.

(d) The board shall negotiate with the current manager of the Governor's Scholarship Programs and execute an amended or new management and funding agreement, before January 1, 2013, which shall include, but not be limited to, all of the following:

(1) Terms providing for the return to the General Fund by no later than January 1, 2013, of moneys appropriated to the Governor's Scholarship Programs that are not anticipated to be needed to make awards pursuant to paragraphs (1) and (2) of subdivision (a).

(2) Provisions that authorize the board to pay agreed-upon early withdrawal penalties or fees.

(3) Terms that extend to the final date upon which the board may withdraw funds for a person who earned an award under the Governor's Scholarship Programs.

(e) (1) If funds retained in the Golden State Scholarshare Trust after January 1, 2013, are insufficient to cover the remaining withdrawal requests, it is the intent of the Legislature to appropriate the necessary funds to the Golden State Scholarshare Trust for the purpose of funding individual beneficiary accounts.

(2) The board shall notify the Department of Finance and the Legislature no later than 10 working days after determining that a shortfall in available funding described in paragraph (1) will occur.

(f) (1) Of the funds transferred to the General Fund pursuant to paragraph (1) of subdivision (d), five million dollars (\$5,000,000) is hereby appropriated to the Chancellor of the California State University, without regard to fiscal years, to fund the establishment and administration of the California Open

Education Resources Council and the California Digital Open Source Library, and the development or acquisition of open education resources, or any combination thereof, pursuant to legislation enacted in the 2011–12 Regular Session of the Legislature, provided that the chancellor may provide reimbursement to the California Community Colleges and the University of California for costs those segments, or their representatives, incur in association with the activities described in this paragraph.

(2) Moneys, or a portion of moneys, appropriated pursuant to paragraph (1) shall not be encumbered unless at least 100 percent of that amount encumbered is matched by private funds. Moneys appropriated pursuant to paragraph (1) that are not matched by private funds shall revert to the Golden State Scholarshare Trust for purposes of the Governor’s Scholarship Programs.

(g) The board may adopt rules and regulations for the implementation of this article.

SEC. 6. Section 17581.6 of the Government Code is amended to read:

17581.6. (a) Commencing with the 2012–13 fiscal year, funds provided in Item 6110-296-0001 of Section 2.00 of the annual Budget Act shall be allocated as block grants to school districts, charter schools, and county offices of education to support all of the mandated programs described in subdivision (d).

(b) (1) Notwithstanding any other law, each fiscal year a school district or county office of education may receive funding for the performance of the mandated activities listed in subdivision (d) either through the block grant established pursuant to this section or by claiming reimbursement pursuant to Section 17560. A school district or county office of education that claims reimbursement for any mandated activities pursuant to Section 17560 for mandated costs incurred during a fiscal year shall not be eligible for funding pursuant to this section for the same fiscal year.

(2) A school district and county office of education that elects to receive block grant funding instead of seeking reimbursement pursuant to Section 17560 shall, and any charter school that elects to receive block grant funding shall, submit a letter of intent to the Superintendent of Public Instruction on or before September 30 of each year requesting block grant funding pursuant to this section. The Superintendent of Public Instruction shall distribute funding

provided pursuant to subdivision (a) to school districts, charter schools, and county offices of education pursuant to the rates set forth in Item 6110-296-0001 of Section 2.00 of the annual Budget Act. Funding distributed pursuant to this section is in lieu of reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of all activities specified in subdivision (d) as those activities pertain to school districts and county offices of education. A school district, county office of education, or charter school that submits a letter of intent and receives block grant funding pursuant to this section shall not also be eligible to submit a claim for reimbursement of costs incurred for a mandated program set forth in subdivision (d) for the fiscal year for which the block grant funding is received.

(c) Block grant funding provided to school districts, charter schools, and county offices of education pursuant to this section is subject to annual audits required by Section 41020 of the Education Code.

(d) Block grant funding provided pursuant to this section to individual school districts, charter schools, and county offices of education is to support all of the following mandated programs:

(1) Absentee Ballots (CSM 3713; Chapter 77 of the Statutes of 1978 and Chapter 1032 of the Statutes of 2002).

(2) Academic Performance Index (01-TC-22; Chapter 3 of the Statutes of 1999, First Extraordinary Session; and Chapter 695 of the Statutes of 2000).

(3) Agency Fee Arrangements (00-TC-17 and 01-TC-14; Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes of 2001).

(4) AIDS Instruction and AIDS Prevention Instruction (CSM 4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of 1991; and Chapter 403 of the Statutes of 1998).

(5) California State Teachers' Retirement System Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the Statutes of 1999; and Chapter 1021 of the Statutes of 2000).

(6) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes of 1994).

(7) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and

673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998; and Chapter 78 of the Statutes of 1999).

(8) Child Abuse and Neglect Reporting (01-TC-21: Chapters 640 and 1459 of the Statutes of 1987; Chapter 132 of the Statutes of 1991; Chapter 459 of the Statutes of 1992; Chapter 311 of the Statutes of 1998; Chapter 916 of the Statutes of 2000; and Chapters 133 and 754 of the Statutes of 2001).

(9) Collective Bargaining (CSM 4425; Chapter 961 of the Statutes of 1975).

(10) Comprehensive School Safety Plans (98-TC-01 and 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of the Statutes of 1999; and Chapter 828 of the Statutes of 2003).

(11) Consolidation of Annual Parent Notification/Schoolsite Discipline Rules/Alternative Schools (CSM 4488, CSM 4461, 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469 of the Statutes of 1981; Chapter 459 of the Statutes of 1985; Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988; Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997; Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the Statutes of 1999, First Extraordinary Session; Chapter 73 of the Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

(12) Consolidation of Law Enforcement Agency Notification and Missing Children Reports (CSM 4505; Chapter 1117 of the Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of 1986; and Chapter 832 of the Statutes of 1999).

(13) Consolidation of Notification to Teachers: Pupils Subject to Suspension or Expulsion I and II, and Pupil Discipline Records (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).

(14) County Office of Education Fiscal Accountability Reporting (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes

of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

(15) Criminal Background Checks (97-TC-16; Chapters 588 and 589 of the Statutes of 1997).

(16) Criminal Background Checks II (00-TC-05; Chapters 594 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of 1999).

(17) Differential Pay and Reemployment (99-TC-02; Chapter 30 of the Statutes of 1998).

(18) Expulsion of Pupil: Transcript Cost for Appeals (SMAS; Chapter 1253 of the Statutes of 1975).

(19) Financial and Compliance Audits (CSM 4498 and CSM 4498-A; Chapter 36 of the Statutes of 1977).

(20) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter 1184 of the Statutes of 1975).

(21) High School Exit Examination (00-TC-06; Chapter 1 of the Statutes of 1999, First Extraordinary Session; and Chapter 135 of the Statutes of 1999).

(22) Immunization Records (SB 90-120; Chapter 1176 of the Statutes of 1977).

(23) Immunization Records—Hepatitis B (98-TC-05; Chapter 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979; Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995; Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882 of the Statutes of 1997).

(24) Interdistrict Attendance Permits (CSM 4442; Chapters 172 and 742 of the Statutes of 1986; Chapter 853 of the Statutes of 1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the Statutes of 1992).

(25) Intradistrict Attendance (CSM 4454; Chapters 161 and 915 of the Statutes of 1993).

(26) Juvenile Court Notices II (CSM 4475; Chapters 1011 and 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994; and Chapter 71 of the Statutes of 1995).

(27) Mandate Reimbursement Process I and II (CSM 4204, CSM 4485, and 05-TC-05; Chapter 486 of the Statutes of 1975).

(28) Notification of Truancy (CSM 4133; Chapter 498 of the Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter 19 of the Statutes of 1995).

(29) Open Meetings/Brown Act Reform (CSM 4257 and CSM 4469; Chapter 641 of the Statutes of 1986; and Chapters 1136, 1137, and 1138 of the Statutes of 1993).

(30) Physical Performance Tests (96-365-01; Chapter 975 of the Statutes of 1995).

(31) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(32) Pupil Health Screenings (CSM 4440; Chapter 1208 of the Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter 750 of the Statutes of 1992).

(33) Pupil Promotion and Retention (98-TC-19; Chapter 100 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes of 1990; and Chapters 742 and 743 of the Statutes of 1998).

(34) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332 of the Statutes of 1986; Chapter 445 of the Statutes of 1992; Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

(35) Pupil Expulsions (CSM 4455; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 622 of the Statutes of 1984; Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256, and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes of 1994).

(36) Pupil Expulsion Appeals (CSM 4463; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; and Chapter 498 of the Statutes of 1983).

(37) Pupil Suspensions (CSM 4456; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 73 of the Statutes of 1980; Chapter 498 of the Statutes of 1983; Chapter 856 of the Statutes of 1985; and Chapter 134 of the Statutes of 1987).



(38) School Accountability Report Cards (97-TC-21, 00-TC-09, 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997; Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the Statutes of 1992; and Chapter 1463 of the Statutes of 1989).

(39) School District Fiscal Accountability Reporting (97-TC-19; Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

(40) School District Reorganization (98-TC-24; Chapter 1192 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).

(41) Student Records (02-TC-34; Chapter 593 of the Statutes of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the Statutes of 1998; and Chapter 67 of the Statutes of 2000).

(42) The Stull Act (98-TC-25; Chapter 498 of the Statutes of 1983; and Chapter 4 of the Statutes of 1999).

(43) Threats Against Peace Officers (CSM 96-365-02; Chapter 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of 1995).

(e) The Superintendent of Public Instruction shall compile a list of all school districts, charter schools, and county offices of education that received block grant funding in the prior fiscal year pursuant to this section. This list shall include the total amount each school district, charter school, and county office of education received. The Superintendent of Public Instruction shall provide this information to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst Office on or before September 9 of each year.

SEC. 7. Item 6110-485 of Section 2.00 of the Budget Act of 2011 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$17,159,000 is hereby reappropri-

ated from the Proposition 98 Reversion Account for the following purposes:

0001—General Fund

- (1) The sum of \$6,594,000 to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for apportionment for special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code.
- (2) The sum of \$230,000 to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding California School Information Services administration activities authorized pursuant to Schedule (2) of Item 6110-140-0001.
- (3) The sum of \$10,335,000 to the State Department of Education for the transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to support special education authorized pursuant to Schedule (1) of Item 6110-161-0001.

SEC. 8. Item 6110-488 of Section 2.00 of the Budget Act of 2011, as amended by Section 84 of Chapter 38 of the Statutes of 2012, is amended to read:

6110-488—Reappropriation, Department of Education.

Notwithstanding any other provision of law, the balances from the following items are available for reappropriation for the purposes specified in Provisions 1 to 5, inclusive:

0001—General Fund

- (1) \$24,000,000 of the unexpended balance of the amount appropriated for child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (2) \$6,900,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated

- for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (3) \$20,000,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for special education in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
  - (4) \$15,121,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the K-3 Class Size Reduction program in paragraph (9) of subdivision (a) of Section 38 of Chapter 12 of the Statutes of 2009
  - (5) \$40,000,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Quality Education Investment Act in the 2010-11 fiscal year pursuant to Section 52055.770 of the Education Code
  - (7) \$9,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Learners Supplemental Instructional Materials program in paragraph (10) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006
  - (8) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Career Technical Education Program in Item 6110-167-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (9) \$973,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Class Size Reduction Program in Item 6110-234-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (10) \$422,000 or whatever greater or lesser amount represents the balance available from Schedule (1) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated in Item 6870-492 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)

- (11) \$902,000 or whatever greater or lesser amount represents the balance available from Schedules (7), (8), and (19) of Item 6870-101-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (12) \$1,039,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Special Education Instruction in Schedule (2) of Item 6110-161-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (13) \$82,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Child Nutrition in Item 6110-651-0001, pursuant to Section 5 of Chapter 3 of the 2009–10 Fourth Extraordinary Session, as amended by Chapter 31 of the 2009–10 Third Extraordinary Session
- (14) \$267,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Supplemental School Counseling Program in Item 6110-108-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (15) \$15,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Special Education Program in Schedule (2) of Item 6110-161-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (16) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California Partnership Academies in Item 6110-166-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (17) \$418,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Supplemental Instruction program in Item 6110-204-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (18) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Arts and Music Block Grant program in Item

- 6110-265-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (19) \$18,677,000 or whatever greater or lesser amount represents the balance available from Schedules (1), (7), (8), (9), and (19) of Item 6870-101-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (20) \$33,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter Schools Facilities Grant Program in paragraph (11) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.
  - (21) \$413,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter Schools Facilities Grant Program pursuant to Section 47614.5 of the Education Code (Ch. 215, Stats. 2007).
  - (22) \$18,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California Partnership Academies in Item 6110–166–0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).
  - (23) \$201,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Supplemental School Counseling Program in Item 6110–108–0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).
  - (24) \$14,058,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Special Education Instruction in Schedule (1) of Item 6110–161–0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).
  - (25) \$1,003,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California Partnership Academies in Item 6110–166–0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).

- (26) \$1,334,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Economic Impact Aid Program in Schedule (2) of Item 6110–211–0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).
- (27) \$1,275,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Special Education Instruction in Item 6110–650–0001 (pursuant to Sec. 5, Ch. 3, 2009–10 4th Ex. Sess., as revised by Ch. 31, 2009–10 3rd Ex. Sess.).
- (28) \$48,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Tutoring program in Item 6110–227–0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010).
- (29) \$29,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Incentive Grants program in Item 6110–260–0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010).
- (30) \$18,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring program in Item 6110–267–0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010).
- (31) \$5,337,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the After School Education and Safety program in Item 6110–649–0001 in the 2008–09 fiscal year, pursuant to Sections 8483.5 and 8483.51 of the Education Code.
- (32) \$713,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

- (33) \$56,717,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (34) \$4,000,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Child Nutrition Program in Schedule (1) of Item 6110-203-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (35) \$13,925,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)
- (36) \$32,314,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Child Care Programs in Schedule (1.5) of Item 6110-196-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (37) \$11,663,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the After School Education and Safety program in Item 6110-649-0001 in the 2009-10 fiscal year, pursuant to Sections 8483.5 and 8483.51 of the Education Code.
- (38) \$16,801,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the After School Education and Safety program in Item 6110-649-0001 in the 2010-11 fiscal year, pursuant to Sections 8483.5 and 8483.51 of the Education Code.
- (39) \$45,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Categorical Programs for charter schools in Schedule (1) of Item 6110-211-0001 of the Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

- (40) \$5,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for English Language Development Assessment in Item 6110-651-0001 pursuant to Section 5 of Chapter 3 of the 2009-10 Fourth Extraordinary Session, as amended by Chapter 31 of the 2009-10 Third Extraordinary Session.
- (41) \$652,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (42) \$722,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Early Education Program for Individuals with Exceptional Needs in Schedule (2) of Item 6110-161-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- (43) \$2,245,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Quality Education Investment Act in the 2010-11 fiscal year pursuant to Section 52055.770 of the Education Code.
- (44) \$70,000,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Quality Education Investment Act in the 2011-12 fiscal year pursuant to Section 52055.770 of the Education Code.

Provisions:

- 2. The sum of \$5,303,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to support costs during the 2011–12 fiscal year associated with the Class Size Reduction Program operated pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code.
- 3. The sum of \$5,673,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction



to support California School Information Services administration activities authorized pursuant to Schedule (2) of Item 6110-140-0001.

4. The sum of \$142,021,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for apportionment for special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code.
5. The sum of \$209,802,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for apportionment for special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code

SEC. 9. Item 6440-301-6048 is added to Section 2.00 of the Budget Act of 2012, to read:

6440-301-6048—For capital outlay, University of California,  
payable from the 2006 University Capital Outlay Bond  
Fund ..... 4,750,000  
Schedule:  
Merced Campus  
(1) 99.11.075-Classroom and Academic  
Office Building—Preliminary plans and  
working drawings ..... 4,750,000  
Provisions:  
1. Identified savings in funds encumbered from this  
general obligation bond fund for construction contracts  
for capital outlay projects, remaining after completion  
of a capital outlay project and upon resolution of all  
change orders and claims, may be used prior to the  
appropriation reversion date: (a) to begin working  
drawings for a project for which preliminary plan  
funds have been appropriated and the plans have been  
approved by the State Public Works Board consistent  
with the scope and cost approved by the Legislature

as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

2. The funds provided in this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage rates until June 30, 2013.

SEC. 10. The Legislature expects the University of California to enroll a total of 209,977 state-supported full-time equivalent students during the 2012–13 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate supported summer programs. As a condition of receipt of funds pursuant to Item 6440-001-0001 of Section 2.00 of the Budget Act of 2012, the University of California shall report to the Legislature by May 1, 2013, on whether it has met the 2012–13 academic year enrollment goal.

SEC. 11. The State Board of Education and the Health and Human Services Agency, including the Department of Health Care Services, the Department of Mental Health, and the Department of Social Services, shall repeal regulations related to mental health services provided by county mental health agencies that are no longer supported by statute, including Sections 60020, 60025, 60030, 60040, 60045, 60050, 60055, 60100, 60110, and 60200 of Title 2 of the California Code of Regulations.

SEC. 12. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified

as related to the budget in the Budget Bill, and shall take effect immediately.



























Approved \_\_\_\_\_, 2012

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*Governor*